

Message Text

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ACTION SP-02

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 8029

C O N F I D E N T I A L BANGKOK 17331

E.O. 11652: GDS

TAGS: PFOR, SGN

SUBJ: FY 1976 PEACE CORPS PROGRAM

REF: A.STATE 236947

B. STATE 235745

BEGIN SUMMARY: DECLINING U.S. ECONOMIC AND MILITARY ASSISTANCE PLUS INCREASED QUESTIONING OF THE U.S. COMMITMENT TO THAILAND'S SECURITY AND DEVELOPMENT MAKE IT INAPPROPRIATE AT THIS TIME TO REQUEST AN INCREASE IN THE RTG'S SUPPORT OF PEACE CORPS. THE INTERIM GOVERNMENT WOULD PROBABLY DELAY RESPONSE TO SUCH A REQUEST, AND IF THE MATTER BECAME AN ISSUE IT MIGHT JEOPARDIZE PRESENT CONTRIBUTIONS. WE BELIEVE THE QUESTION MIGHT CONCEIVABLY BE RAISED AFTER A NEW GOVERNMENT TAKES OFFICE IN FEBRUARY. IN THE MEANTIME, PEACE CORPS THAILAND WILL PRESS FOR INCREASED CONTRIBUTIONS IN KIND, WHICH ARE NOT IDENTIFIED IN THE RTG BUDGET AS PEACE CORPS ITEMS. END SUMMARY.

1. IN FY 1975 THE ESTIMATED ROYAL THAI GOVERNMENT CONTRIBUTION TO THE PEACE CORPS PROGRAM IS 166.6 THOUSAND DOLLARS. THIS REPRESENTS 13.5 PERCENT OF PEACE CORPS THAILAND'S OBLIGATION AUTHORITY. THE EMBASSY BELIEVES THAT THIS IS AN INAPPROPRIATE TIME TO REQUEST THE ROYAL THAI GOVERNMENT TO INCREASE ITS CONTRI-
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BUTION TO THE OPERATION OF THE PEACE CORPS PROGRAM IN

THAILAND. THAILAND NOW HAS AN INTERIM GOVERNMENT WHICH WOULD LIKELY DELAY DECISION ON THIS MATTER. MOREOVER, BECAUSE OF DECLINING U.S. ECONOMIC AND MILITARY ASSISTANCE AND INCREASED QUESTIONING OF THE U.S. COMMITMENT TO THAILAND'S SECURITY AND WELFARE, WE BELIEVE EFFORTS TO OBTAIN A GREATER RTG CONTRIBUTION AT THIS TIME WOULD NOT BE IN THE U.S. INTERESTS. THE QUESTION MIGHT POSSIBLY BE ADDRESSED AFTER THE NEW GOVERNMENT TAKES OFFICE IN FEBRUARY 1975.

2. FOLLOWING ARE RESPONSES TO THE SPECIFIC QUESTIONS LISTED IN PARA 5 OF REFTEL A.

(A) LAST MONTH PEACE CORPS DIRECTOR ZENICK DISCUSSED INFORMALLY WITH THE DEPUTY DIRECTOR GENERAL OF THE DEPARTMENT OF TECHNICAL AND ECONOMIC COOPERATION (DTEC), THE RTG ENTITY CHARGED WITH COORDINATING THE PEACE CORPS PROGRAM, THE FACT THAT THE CASH CONTRIBUTION OF BAHT 1 MILLION (\$50,000 U.S.) DESIGNATED FOR THE FORTHCOMING RTG FISCAL YEAR HAS REMAINED STABLE AT THIS LEVEL FOR 9 YEARS. MR. ZENICK POINTED OUT THAT THE REAL VALUE CONSEQUENTLY HAD BEEN REDUCED DUE TO INFLATION. AT THE SAME TIME THE PEACE CORPS DIRECTOR EXPRESSED RECOGNITION THAT ADDITIONAL CASH CONTRIBUTIONS BY THAILAND TO PEACE CORPS VOLUNTEER HOUSING, PER DIEM AND OPERATING EXPENSES, HAD INCREASED PER VOLUNTEER COMMENSURATE WITH THE RISING PRICE LEVELS, AND THAT THE VALUE OF CONTRIBUTIONS IN KIND HAD SIMILARLY INCREASED, THUS MAKING A TOTAL FY 1975 CONTRIBUTION OF \$166,600 U.S.). ZENICK STATED, HOWEVER, AS HAD PEACE CORPS REGIONAL DIRECTOR SLAVIN IN AN EARLIER MEETING WITH DTEC REPRESENTATIVE IN WASHINGTON, THAT IT WOULD BE DESIRABLE FOR THE RTG TO INCREASE THE BAHT 1 MILLION CASH CONTRIBUTION. THE DEPUTY DIRECTOR GENERAL SYMPATHETICALLY REPLIED THAT THE AMOUNT WAS NEGOTIATED BY AN EARLIER GOVERNMENT, AND THAT FEW RTG OFFICIALS ARE EVEN AWARE OF THE RTG'S CASH SUPPORT FOR THE PEACE CORPS. HE ADVISED THAT IN THE PRESENT POLITICAL ATMOSPHERE A DTEC REQUEST TO INCREASE THIS AMOUNT WOULD DRAW ATTENTION AND POSSIBLY JEOPARDIZE SUPPORT FOR THE PEACE CORPS. IN ANY EVENT, THE RTG FISCAL YEAR COMMENCES OCTOBER 1, HE SAID, AND THE BUDGET HAD LONG BEEN SUBMITTED TO THE NATIONAL ASSEMBLY.

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(B) IF A REQUEST WERE MADE FORMALLY FOR ADDITIONAL RTG SUPPORT FOR PEACE CORPS, THE INTERIM GOVERNMENT WOULD LIKELY POSTPONE RESPONSE. SHOULD CRITICS HOSTILE TO THE U.S. CHOOSE TO MAKE AN ISSUE OF AND PUBLICIZE THE BUDGET ITEM, IT COULD POSSIBLY LEAD TO ITS ELIMINATION FROM THE BUDGET WITH CONSEQUENCES FOR THE CONTINUANCE OF THE PEACE CORPS PROGRAM. THE INTERIM GOVERNMENT'S VACILLATION

IN FACE OF PUBLIC CRITICISM HAS BEEN AMPLY DEMONSTRATED.

(C) AS POINTED OUT IN PARA 1, WE DO NOT BELIEVE IT IS IN THE INTEREST OF THE U.S. TO TERMINATE PEACE CORPS PROGRAM IN THIS COUNTRY. DTEC AND MINISTRIES WORKING WITH THE PEACE CORPS CONSIDER VOLUNTEERS IMPORTANT IN MEETING THE COUNTRY'S NEEDS. MOREOVER, THE PEACE CORPS' IMAGE IS EXCELLENT AND PEACE CORPS DEMONSTRATES U.S. CONCERN FOR PEOPLE IN BANGKOK AND UPCOUNTRY WHO OTHERWISE HAVE EXTREMELY LIMITED CONTACT WITH AMERICANS, BUT READ AND HEAR CRITICAL COMMENTS ABOUT THE U.S. PRESENCE. DURING THIS TIME OF DECLINING ECONOMIC AND MILITARY ASSISTANCE AND OF HEIGHTENED CRITICISM OF THE U.S. MILITARY PRESENCE, WE BELIEVE THE PEACE CORPS SERVES AN EXTREMELY IMPORTANT ROLE, BOTH IN TERMS OF MEETING THAI NEEDS (PARTICULARLY IN EDUCATION) AND IN HELPING TO MAINTAIN GOODWILL AND FRIENDLY RELATIONS WITH THE THAI PEOPLE.

(D) THERE WOULD BE LITTLE IMPACT ON AID DEVELOPMENT OBJECTIVES SHOULD THE PEACE CORPS PROGRAM BE TERMINATED. AID PROGRAMS ARE INCREASINGLY DIRECTED TOWARD THE LESS PRIVILEGED CLASSES, HOWEVER, AND IN THIS SENSE PEACE CORPS PROGRAMS ARE COMPLIMENTARY TO THEM. IN SOME PROJECTS AID AND PEACE CORPS HAVE COOPERATED, AND EFFORTS ARE BEING MADE TO INTEGRATE PROJECTS FURTHER.

(E) SHOULD A CHOICE BE FORCED BETWEEN INSISTING ON A HOST COUNTRY CONTRIBUTION OR PHASING DOWN SOME OF THE CURRENT LEVEL OF PEACE CORPS ACTIVITY IN THAILAND, THE MISSION WOULD CHOOSE TO REDUCE THE PROGRAM SLIGHTLY.

3. THE EMBASSY CONCURS WITH THE JUDGMENT OF DTEC OFFICIAL THAT THIS IS NOT AN APPROPRIATE TIME TO SEEK A GREATER
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CASH CONTRIBUTION FOR PEACE CORPS WITHIN THE DTEC BUDGET. RATHER THAN PRESS FOR AN INCREASE IN THIS BAHT 1 MILLION AMOUNT, PEACE CORPS THAILAND WILL CONCENTRATE ON OBTAINING AN INCREASE OF CONTRIBUTIONS IN KIND AND OTHER CASH SUCH AS HOUSING ALLOWANCES WHERE WARRANTED.
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